time,be determined 5y the Governing body.

27. To do all such other lawful things as are conducive or incidental to the attainment of t3he objects of the National Council.

Statement of former French Prime Minister regarding Curtailing Expenditure

453.SHRI JANARDHANA POOJ-ARY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a statement of the former French Prime Minister who came to attend World Economic Forum Summit in Delhi in the last week of October, 1996, to the effect that Government of India will have to bring down its expenditure if it is serious about stepping up the growth rate to 7% and beyond;

(b) whether Government have taken/ propose to take measures to cut down expenditure; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) Keeping the Government expenditure under control is a continuous process and measures in this regard are taken from time to time. These include: careful scrutiny of relevance of on-going plan and non-plan schemes, strict adherence to prescribed budgetary ceilings, monthly monitoring of revenue and expenditure cash flow to ensure their close convergence, enhancing payment of dividend on equity by profit making public sector enterprises and joint venture companies, control over wasteful and ostentatious expenditure, etc.

Non-Banking Financial Institutions

454. SHRI AJIT P.K. JOGI: Will the Minister of FINANCE be pleased to state:

(a) the State-wise details of those non-banking financial institutions to which the Reserve Bank of'India has issued licenses for running their business;

(b) whether some of the institutions are not complying with the instructions issued by RBI;

(c) if so, the details thereof; together with the action taken against them;

(d) whether Government are aware of the fact that some of such institutions have cheated people in Madhya Pradesh and other State as well;

(e) if so. State-wise details thereof;

(f) whether Government propose to impose any ban on these institutions; and

(g) if so, by when and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) There is no system of RBI issuing licences to NBFCs, to operate in any State.

(b) and (c) Both registered and unregistered categories of NBFCs are required to comply with RBI's Directions of 1977. RBI during its on-site inspections of the companies, verifies the compliance and the violations, if any, are pointed out and followed upto ensure compliance. Such compliance is also verified when complaints are received either from depositors affected or through consumer from or any other source. In the case of serious breach of regulations, RBI also places a prohibitory order on the institution from accepting further deposits.

(d) and (e) RBI have reported that they have no information on duping the depositors on a large scale by companies in Madhya Pradesh. However, whenever serious violations of RBI Directions were noticed, prohibitory orders were placed on some of the companies in several States.

(f) and (g) Action has been jnitiated to amend the RBI Act or prohibit deposit taking activities by unintroporatcd bodies.